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## State of South Carolina State Ethics Commission

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Columbia, S.C. 29211

July - August, 1995

NEWSLETTER

96-001

### ACTIVE CAMPAIGN FILERS!!

All candidates with an active campaign account are reminded of the October 10 filing deadline for the Campaign Disclosure Form. This report covers the periods of July 1 (or from your last report) through September 30. These forms must be in our office no later than 5:00pm on October 10 to avoid any late filing penalties. Please call our office if you need a Campaign Disclosure Form.

### ATTENTION! LOBBYIST AND LOBBYIST'S PRINCIPALS

Lobbyist and Lobbyist's Principals are required to submit a disclosure form by October 10. These forms will be mailed on September 1. If you do not receive your disclosure form, please call our office with your request. These forms must be in our office by 5:00pm on October 10 to avoid any late filing penalties.

### COMMISSION MEETING

The next Commission meeting will be held on September 13 at 5000 Thurmond Mall, Ste. 250, Columbia. Please call for time of meeting.

### COMPLAINTS RESOLVED

7-18-95 J. Dennis Bolt, a candidate for 5th Circuit Solicitor, signed a consent order admitting he failed to file a January 10 Campaign Disclosure

Form. He was fined \$200 and publicly reprimanded.

6-29-95 John C. Woodberry, a candidate for Dorchester County Council, signed a consent order admitting that he failed to file a Campaign Disclosure Form. He was fined \$100 and publicly reprimanded.

8-4-95 Michael V. Patterson, a Blackville Councilman signed a consent order admitting that he participated in and voted on council actions affecting a business with which he was associated. He was fined \$500 and publicly reprimanded.

7-19-95 Sherrie C. Wright, a former clerk for the Town of Hollywood, was found guilty of failing to file a Statement of Economic Interests Form for 1993 and 1994; was publicly reprimanded and fined \$3,200.

### ADVISORY OPINIONS ON DISK

The Commission has had requests to make the Commission's advisory opinions available on computer disk. Since the Ethics Reform Act passed in 1991, the Commission has issued 356 public formal advisory opinions. The Commission can make those advisory opinions available on computer disk at a cost of \$5 per disk, or a total of \$15 for the 3 disks.



## **CAMPAIGN CONTRIBUTIONS**

Contributor lists for Constitutional Officers for the 1994 elections have been entered into the Commission's database. These lists, showing contributors' names (but not addresses), amounts, and dates of contribution, are now available on computer disk. Those lists are available in an ASCII format. Copies of the disks are available at \$5.00 per disk.

## **PARTICIPANTS NEEDED**

The Commission is looking into the possibility of utilizing electronic filing of campaign finance reports. We invite any comments, ideas, or suggestions you may have. Volunteers are invited to participate in preparing guidelines, reviewing electronic filing, and testing software. If you would be interested in participating, which may include several meetings in Columbia, please contact Gary Baker. Your participation is welcome.

## **VENDOR RELATIONSHIPS WITH PUBLIC OFFICEHOLDERS**

The Commission staff is often asked about relationships that vendors have with public officeholders.

A person who has been awarded a contract, unless it was awarded by competitive bidding may not make a campaign contribution after the award of the contract. The person also may not invest in a financial venture with a public official if the public official was in a position to act on the award of the contract.

No public official or public employee may solicit campaign contributions or investments in exchange for the prior award of a contract or the promise of a future contract.

A question which is often asked is whether a vendor may take a public officeholder out for a meal or a round of golf. The Commission advice is that nothing of value should be accepted from a vendor who has a contract pending or has recently been awarded a contract. The Commission rationale is that Section 8-13-705 prohibits both the offer and acceptance of anything of value to

influence a public officeholder. Certainly, if there is an issue requiring action by the public officeholder, then the giving of "anything of value" has the appearance, if not the intent, of influencing the officeholder. Since this prohibition is a felony, the Commission has advised that the acceptance of such things of value not be accepted to preclude any violation of this section.

Vendors have also been asked to support agency activities through providing financial contributions or goods or services. Provided that the goods or services assist the agency with carrying out its responsibilities and no public officeholder benefits personally from such a gift to the agency, there would not be a prohibition against such a donation. The Commission has advised that solicitation of vendors be accomplished by someone other than persons involved in procurement.

## **BASICS OF THE ETHICS, GOVERNMENT ACCOUNTABILITY & CAMPAIGN REFORM ACT AS IT AFFECTS BALLOT ISSUES OR REFERENDUM**

The Ethics, Government Accountability and Campaign Reform Act of 1991 (Ethics Reform Act) affects all levels of government and addresses three areas of reform: activities of lobbyists and lobbyists' principals; conduct of public officials, members and employees; and campaign practices.

## **CAMPAIGN FINANCES AND REPORTING** SC Code §8-13-1300, et. seq. (Supp. 1994)

Groups or committees which organize to support or oppose referenda or ballot issues, such as bond issues, lottery, local option sales tax, annexation, or forms of local government, may be required to register and file with the State Ethics Commission.

Any organization or group which receives or spends funds to either support or oppose such a ballot issue must file a statement of organization within five days after receiving or expending more than \$500. The statement of organization contains the name of the committee chairman, treasurer, and custodian of the books, address and telephone number of the committee, and bank account numbers. §8-13-1304; §8-13-1306



Within ten days after an organization receives or expends more than \$500, it must file an initial Campaign Disclosure Form. §8-13-1308(A)



Thereafter, the committee must file quarterly (i.e., no later than January 10, April 10, July 10, and October 10 for the calendar quarter ending December 31, March 31, June 30, and September 30, respectively). §8-13-1308(B)

The committee, regardless of the amount received or spent (even if less than \$500) must file a disclosure at least fifteen days prior to the election with contributions and expenditures current as of twenty days prior to the election. §8-13-1308(D)

Any committee or group of persons receiving or expending funds to support or oppose candidates must also comply with these same provisions. §8-13-100(6), §8-13-1304, §8-13-1308

**A late filing penalty of \$100 may be assessed by the State Ethics Commission if the form is not received within five days after the established deadline, plus \$10 per day for each additional calendar day that a form is late, not to exceed \$500. §8-13-1510**

### CONTRIBUTION LIMITS

The maximum that any person may contribute to a ballot issue committee is \$3,500 per calendar year. **§8-13-1322(A)**

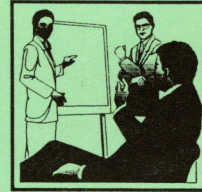
Cash contributions are limited to \$25.00, and the name and address of each contributor must be obtained and recorded. §8-13-1314(A)(2); §8-13-1322(B)

Anonymous contributions are prohibited, except at a ticketed event where food and beverages are served or where political merchandise is distributed and where the price of the ticket is twenty-five dollars or less and goes toward defraying the cost of the food, beverages, or political merchandise. §8-13-1324(A)

### CAMPAIGN FUND ACCOUNTABILITY

A committee may have only one campaign checking and one campaign savings account. §8-13-1312

Campaign funds may not be used for personal use unrelated to the campaign. §8-13-1348(A)



Campaign contributions may not be accepted or solicited by any person on the State Capitol grounds, in State office buildings, or at the principal office of a statewide official. §8-13-1336(A) and (B)

A petty cash fund of \$100 or less may be established with no expenditure exceeding \$25. §8-13-1348(C) and (E)

Any person or committee making an expenditure for communications (ads, campaign solicitations, etc) must place its name and address on the printed material. §8-13-1354

### PROHIBITIONS

No person may use government personnel, equipment, materials, or an office building in an election campaign. §8-13-765(A)



A government may rent or provide public facilities for political meetings and other campaign-related purposes if they are available on similar terms to all candidates and committees. §8-13-765(B)

Government personnel, unless otherwise prohibited, may participate in election campaigns on their own time and on nongovernment premises. §8-13-765(C)

A person may not use or authorize the use of public funds, property, or time to influence the outcome of an election. §8-13-1346(A)

A public official is not prohibited from the incidental



use of time and materials for preparation of a newsletter reporting activities of the body of which he is a member. §8-13-1346(B)

This section does not prohibit the expenditure of public resources by a governmental entity to prepare informational materials, conduct public meetings, or respond to news media or citizens' inquiries concerning a ballot measure affecting that governmental entity.

A governmental entity may not use public funds, property, or time in an attempt to influence the outcome of a ballot measure. §8-13-1346(C)

### **ADVISORY OPINIONS**

SEC AO96-001

July 19, 1995

### **VARIOUS REGISTRATION REQUIREMENTS; PROHIBITED AND PERMITTED ACTS OF A PAC**

A Political Action Committee (PAC) must file a Statement of Organization within five days after receiving or expending \$500. A Campaign

Disclosure Form must be filed within ten days after reaching the \$500 threshold. The statute does not describe the organizational structure of a committee.

SEC AO96-002

July 19, 1995

### **CONCURRENT EMPLOYMENT AS MEMBER OF THE BOARD OF ECONOMIC ADVISORS AND PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE SOUTH CAROLINA CHAMBER OF COMMERCE**

A member of the Board of Economic Advisors is advised to follow the procedures of S.C. Code §8-13-700(B) (Supp. 1994) if required to take action affecting his service with the S. C. Chamber of Commerce.

### **STATE HOLIDAY**

The State Ethics Commission will be closed on September 4 for observance of Labor Day and on November 10 for observance of Veterans Day.

**State Ethics Commission**

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